



The Conference Board  
of Canada

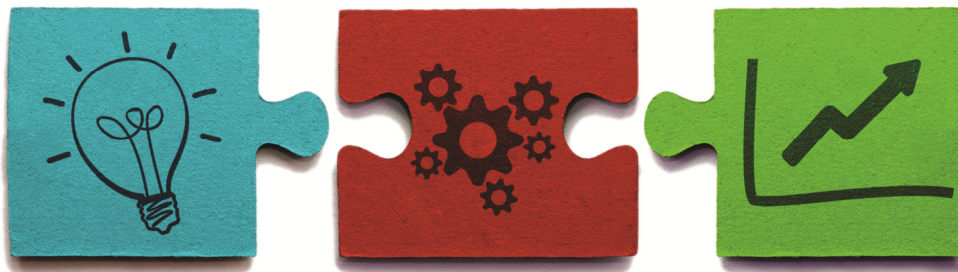
Le Conference Board  
du Canada

CUSTOM REPORT

# Startup Canada Day on the Hill

November 26, 2014  
Ottawa, ON • Canada

Connecting Canada's Entrepreneurship Community



## About this Briefing

This briefing was prepared by The Conference Board of Canada under the direction of Douglas Watt, Director, Industry and Business Strategy.

The report was written and researched by Cameron MacLaine; Melissa Lalonde and Douglas Watt.

The report was prepared with support from The Conference Board of Canada's Centre for Business Innovation. The findings and conclusions of this report are based on the input of policy discussion participants during Startup Canada's Day on the Hill, November 26, 2014.

The series of Policy Discussions organized by Startup Canada were chaired by Dr. Sorin Cohn in his dual capacity as Member of the Board of Startup Canada and as Leader, Innovation Metrics in the Conference Board of Canada's Centre for Business Innovation.

## About The Conference Board of Canada

The Conference Board of Canada is the foremost independent, not-for-profit, applied research organization in Canada. It is objective and non-partisan, specializing in economic trends, as well as organizational performance and public policy issues.

The Conference Board's Centre for Business Innovation is helping Canada advance its place as a world leader in business innovation by developing business strategies for firms and capital markets; tracking performance; and helping to formulate public policies that will stimulate business innovation. For more information: [www.conferenceboard.ca/cbi/default.aspx](http://www.conferenceboard.ca/cbi/default.aspx).

## About Startup Canada

Startup Canada is a grassroots network of more than 80,000 entrepreneurs and community builders working to construct an environment and culture of entrepreneurship.

With over 20 Startup Communities across Canada, as well as online platforms and numerous cross-sector initiatives on the go, Startup Canada is "the voice of Canadian entrepreneurs." For more information: [www.startupcan.ca/](http://www.startupcan.ca/).



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## INTRODUCTION

### **Startup Canada Day on the Hill 2014: Connecting Canada's Entrepreneurship Community**

On November 26, 2014 at the Fairmont Château Laurier in Ottawa, Canada, 1000 entrepreneurs, industry leaders, investors, and government decision-makers gathered for *The Startup Canada Day on the Hill*.

The day included bootcamp workshops, keynote presentations, on-site mentoring, a startup marketplace, the celebration of Canadian entrepreneurship success, and government roundtables (policy discussions) — all underscoring the importance of private/public sector collaboration to build new ventures, create new jobs, and improve Canada's innovation and commercialization performance.

### **Six Policy Discussions**

Startup Canada and The Conference Board of Canada hosted a series of roundtable policy talks at the *Day on the Hill* event on several areas of importance for Canadian entrepreneurs. The objective: engage in a dialogue between entrepreneurs and government officials leading to recommendations on how to enable more effective innovation and commercialization activities in Canada.

One hundred and fifty entrepreneurs, business leaders, community builders, education providers, students, and government decision makers actively participated in these policy discussions chaired by Dr. Sorin Cohn, Member of the Board of Startup Canada. This briefing presents their perspectives, insights and key recommendations. It is organized by topic and policy challenge/opportunity:

- 1. Reducing the Failure Rate of Businesses and Improving Financial Management.**  
How can we improve financial literacy of entrepreneurs across all verticals to reduce the failure rate and improve financial management?
- 2. Building the Most Advanced Government Procurement System for Entrepreneurs in the World.**  
How can we improve entrepreneurs' awareness of, and access to the Government of Canada's procurement processes?
- 3. Championing and Mentorship for Women Entrepreneurs**  
How can we encourage and grow entrepreneurship among women? What policies and approaches can we leverage to encourage supplier diversity to create opportunities for women entrepreneurs?
- 4. Improving Government Service Delivery for Entrepreneurs.**  
What is missing from the business innovation landscape in Canada, your region, and for your company?  
How can the Concierge Service Program at the National Research Council of Canada better facilitate access to support programs?
- 5. Spurring Innovation: Connecting Businesses with Researchers to Solve Business Problems.**  
What are the key barriers facing entrepreneurs seeking to capitalize on university/college capabilities?  
How can the strengths of our universities and colleges be leveraged to create a stronger culture of business innovation in Canada? How might the skill-sets of the talent trained by these institutions be improved?
- 6. Propelling Canada's Social Entrepreneurship Movement to the Mainstream.**  
What are the time-critical collaborative actions needed to accelerate better outcomes for our society, while unlocking a renewed economic engine for Canada? How can we propel social entrepreneurship into the mainstream in Canada?

## Speaker

**JULIE HAUSER,**  
Partnership and  
Stakeholder Engagement  
Officer, **Financial  
Consumer Agency of  
Canada**

## Web

[www.ItPaysToKnow.gc.ca](http://www.ItPaysToKnow.gc.ca)

## Twitter

[@FCACan](https://twitter.com/FCACan)

## Participants

19, including  
entrepreneurs, Startup  
communities, business,  
government.

## The Question

*“How can we improve  
financial literacy of  
entrepreneurs across all  
verticals to reduce the  
failure rate and improve  
financial management?”*

## Key Conclusions

“Financial tools and  
resources need to be  
developed using the  
language of entrepreneurs  
not accountants.”

“Create and promote a  
database of financial  
management mentors (with  
real startup experience) for  
entrepreneurs.”

“Share success stories,  
especially of entrepreneurs  
that significantly improved  
their financial literacy.”

## POLICY DISCUSSION 1: REDUCING THE FAILURE RATE AND IMPROVING FINANCIAL MANAGEMENT

### Importance

Financial management skills and financial literacy skills are important. Entrepreneurs, managers, owners, and entrepreneurs need them to ensure business success. However, it is estimated that just 25 per cent of Canadians have high financial literacy scores—leading to failed opportunities.

The Financial Consumer Agency of Canada (FCAC) has free programs and materials to help Canadians – including entrepreneurs – increase their money management skills and to help grow their ideas into successful businesses. More needs to be done, especially for young adults and consumers.

### Challenges and issues

Participants noted significant financial challenges for adults, families, and businesses including: high levels of debt, lack of savings, budgeting, not choosing financial products/services carefully. Entrepreneurs do not feel engaged when they are taught or mentored by accountants. They want to hear from entrepreneurs.

Participants also suggested that government websites are difficult to sift through and find the relevant information. Instead, entrepreneurs often learn from each other (trusted, timely, and often more relevant and useful). Governments need to make their resources, tools and programs more accessible, and more animated (think ‘gamification’).

### Conclusions, next steps, keys to success

Policy discussion participants shared recommendations and keys to success:

- Speak the language of entrepreneurs, and use terminology that resonates with them by using non-academic language. Replace “literacy,” “credit scores,” and “debt,” with terms like “financial startup,” “launch pad,” and “foundation for opportunity.”
- Entrepreneurs are not a homogeneous group. Materials and resources need to be adaptable, accessible, and engaging to all types of entrepreneurs regardless of age, experience, background.
- Create a list of financial mentors (not accountants, but individuals who have gone through the startup experience) accessible at the local, regional and national/ international levels to support entrepreneurs. Build upon, or work in collaboration with Startup Connect.
- Support entrepreneurs with financial cybersecurity. The government website “[GetCyberSafe](#)” is a good start, but more needs to be done. A website alone is not enough: more public engagement is necessary.
- To engage entrepreneurs in financial management think about ways to ‘animate’ or ‘gamify’ literature, tools, and resources.
- Support the accreditation or certification of financial management activities for entrepreneurs to facilitate the due diligence process and help lenders.

## Speaker

**HELEN BRAITER,**  
Director, Build In Canada  
Innovation Program  
(BCIP), **Public Works and  
Government Services  
Canada (PWGSC)**

## Web

[www.canadabusiness.ca/eng/program/2069](http://www.canadabusiness.ca/eng/program/2069)

## Participants

13, including Startup communities, government, entrepreneurs.

## The Question

*“How can we improve entrepreneurs’ awareness of and access to the Government of Canada’s procurement processes?”*

## Key Conclusions

“Rather than defining “perfect solutions” PWGSC should inform industry about the problems faced by government departments that require solutions.”

“There should be a unique and more usable access to the plethora of government programs—with clear instructions about who to contact and how to navigate the maze of contractual requirements.”

“*Startup Connect* provides SMEs, Startup Communities and entrepreneurs-at-large with necessary information on “How to do business with the federal government.”

## POLICY DISCUSSION 2: BUILDING THE MOST ADVANCED GOVERNMENT PROCUREMENT SYSTEM FOR ENTREPRENEURS

### Importance

The Federal government is one of the biggest purchasers of goods and services in the country.

The Build in Canada Innovation Program (BCIP) is the only federal program purchasing pre-commercial late stage R&D products or services for testing in, and feedback from, federal government departments. BCIP is a *supply-push program* that enables sale references from the Canadian government.

### Challenges and issues

Public Works (PWGSC) does the bulk of government procurement via bids for pre-defined solutions in which only trusted companies with specific solutions are allowed to participate.

Canadian small and mid-size enterprises (SMEs) need to learn more about the problems faced by government departments in order to develop affordable and appealing products and services.

Often, Canadian SMEs lose opportunities for exporting their products or services because of lack of prior purchases by Canadian governments. The government has a large number of programs and provides a lot of information that is often difficult to find, capture and digest by businesses.

### Conclusions, next steps, keys to success

Policy discussion participants shared recommendations and keys to success:

- PWGSC should help inform entrepreneurs and SMEs about the problems faced by government departments that require solutions rather than define “perfect solutions.”
- A pilot program should be started to allow entrepreneurs to shadow people in government for acquiring knowledge necessary to provide affordable commercial solutions.
- There should be a more usable way to access the plethora of government programs, with clear instructions about who to contact and how to navigate the maze of contractual requirements.
- BCIP should take advantage of *Startup Connect* to reach SMEs, Startup Communities and entrepreneurs with information on doing business with the federal government.
- SMEs need more information (e.g., sales reference materials) to help solve specific government needs and grow their business within Canada and in global markets.
- A permanent focus group should be created to get ongoing feedback from industry on program evaluation and how best to enhance the value of BCIP to government and industry.

## Speaker

**MARISSA McTASNEY**,  
Founder and President of  
**Moxie Trades LLP**

## Web

[www.moxietrades.com/](http://www.moxietrades.com/)

## Participants

46, including entrepreneurs,  
Startup communities, small  
businesses, government,  
students

## The Questions

*“How can we encourage and grow entrepreneurship amongst women?”*

*“What policies and approaches can we leverage to encourage supplier diversity to create opportunities for women entrepreneurs?”*

## Key Conclusions

“Encourage women to pursue STEM-related careers in high school or in elementary school.”

“Provide women with accessible role models and mentors.”

“Design support-programs and resources to accommodate family needs and non-traditional work schedules.”

## POLICY DISCUSSION 3: SUPPLIER DIVERSITY AND CREATING OPPORTUNITIES FOR WOMEN

### Importance

Women entrepreneurs are important to Canada. Seventeen per cent of all Canadian business are majority-owned by women. Female-owned SMEs account for 13.5 per cent of small businesses in Canada in 2011, and 4 per cent of medium-sized businesses.<sup>1</sup>

The Honourable Kellie Leitch, Minister of Labour and Minister of Status of Women, created the Expert Panel on Championing and Mentorship for Women Entrepreneurs, dedicated to advancing entrepreneurship among women.

### Challenges and issues

Discussion participants noted several challenges for female entrepreneurs:

- Women often have different life stages and responsibilities than men, such as raising children, and being the stay-at-home parent when children are at school.
- Some support groups tend to reinforce female stereotypes, which only obstructs efforts to develop more female entrepreneurs.
- Some mentorship programs use only male mentors, which does not encourage women to become entrepreneurs.
- Women entrepreneurs tend to choose industries, such as retail or services, which are not as well-funded as STEM-related industries.

### Conclusions, next steps, keys to success

Policy discussion participants shared recommendations and keys to success:

- Design support programs and resources to accommodate family needs and non-traditional work schedules.
- Foster greater awareness of STEM-related education and careers to women, especially in high school and elementary school.
- Offer women more access to incentives for starting and operating minority-owned businesses.
- Provide women with accessible female role models and mentors. These mentors should include entrepreneurs who have successfully balanced work and family responsibilities.
- Build communities of women entrepreneurs. Women-owned businesses who share their successes and challenges (e.g., in workshops, shared workspaces) tend to survive at a higher rate than those that do not.
- Develop a central portal for women entrepreneurs to share information, manage collaborations, recognize achievements, and leverage outside expertise and experiences.
- Provide women entrepreneurs with a How-To manual on starting and running a business.

<sup>1</sup>[www.ic.gc.ca/eic/site/061.nsf/eng/02813.html](http://www.ic.gc.ca/eic/site/061.nsf/eng/02813.html).



## Speakers

**CHRIS LABRADOR,**  
Director Innovation Access  
Group, Concierge Service  
Program, **National Research  
Council of Canada**

**TRAJAN SCHULZKE,**  
Director, Services to  
Business, **Industry Canada**

## Web

<http://guideexpert.portail.gc.ca/en>

## Participants

29, including entrepreneurs,  
businesses, government.

## The Questions

*“What is missing from the  
business innovation  
landscape in Canada, in your  
region, or in your company?”*

*“How can the Government of  
Canada’s Concierge Service  
better support access to  
support programs?”*

## Key Conclusions

“Startup Connect and Startup  
Communities can help  
promote and deliver  
Concierge Services for  
entrepreneurs and SMEs—  
especially in small, northern  
and remote communities.”

“Innovation services and  
programs should be designed  
with the interests and needs  
of entrepreneurs’ top of  
mind.”

## POLICY DISCUSSION 4: IMPROVING GOVERNMENT SERVICE DELIVERY FOR ENTREPRENEURS

### Importance

Entrepreneurs and small and medium-sized enterprises often lack the time, money and expertise needed to access government tools, services and resources to help drive innovation success.

The Government of Canada’s [Concierge Service](#) is a one-stop shop for Canadian enterprises that connects innovation advisors with entrepreneurs. Offered through the National Research Council of Canada’s Industrial Research Assistance Program (NRC-IRAP) the Concierge Service provides easy access to a wide range of services and advice needed for innovation and accelerated growth.

### Challenges and issues

Participants noted that:

- Support for SMEs and entrepreneurs on issues like financing, business advice and guidance, and equipment is often difficult to find and access.
- Many government services and programs are operated with government interests and efficiencies in mind (e.g., summer holidays with limited access), not the needs or interests of entrepreneurs’ and businesses.
- Limited services and functionality (e.g., by geography, types of businesses and sectors) affect the government’s ability to reach different entrepreneurs and SMEs.

### Conclusions, next steps, keys to success

Policy discussion participants shared recommendations and keys to success:

- NRC’s [Concierge Service](#) and Startup Canada should collaborate to help promote and deliver innovation advisory services especially to underrepresented stakeholders and communities (e.g., women and Aboriginal entrepreneurs; and in northern, remote and rural Canada).
- The *Concierge Service* should make use of live-video and webinars—in addition to online, telephone and in-person advice—to help mentor and champion innovation activities in more regions and sectors across Canada.
- Provide services and support beyond technology and business innovation and look to offer concierge services in other sectors such as social innovations and environmental innovations.
- It is important to measure the performance and successes of government programs like *Concierge Service*. Think about what these metrics should be (e.g., job creation, new business development, satisfaction metrics, networks and collaboration) and how they should be quantified.
- Continue to work with entrepreneurs from across Canada to find out how they can best be served, to help them find access to funding, and connect them with expert advice at the early stages of their company’s development.

## Speaker

**BERT VAN DEN BERG**,  
Director, Colleges,  
Commercialization and  
Portfolio Planning, **Natural  
Sciences and Engineering  
Research Council (NSERC)**

## Web

[www.nserc-crsng.gc.ca](http://www.nserc-crsng.gc.ca)

## Participants

22, including businesses,  
government, Startup  
communities, education  
institutions

## The Questions

*“What are the key barriers facing entrepreneurs seeking to capitalize on university/college (U/C) capabilities? How should the skillset of the U/C talent be improved?”*

*“How can the strengths of our universities and colleges be leveraged to create a stronger culture of business innovation?”*

## Key Conclusions

“Have realistic expectations when working with academic researchers and businesses.”

“Consolidate information on government funding opportunities into a single portal. Create another portal for bringing forward industry research needs.”

“Negotiate staged funding agreements, to mitigate risks posed by substandard research performance.”

## POLICY DISCUSSION 5: SPURRING INNOVATION: CONNECTING BUSINESSES WITH RESEARCHERS TO SOLVE BUSINESS PROBLEMS

### Importance

Through various agencies and programs such as the Industrial Research Assistance Program, regional granting agencies, BDC, and NSERC, governments spend significant amounts of money on grants to academic researchers. Despite these options, more can be done to make sure that funds are easily accessed by researchers and entrepreneurs, and ensure that government grants continue to lead to high-value products, services, and jobs in communities across Canada.

### Challenges and issues

Discussion participants outlined several challenges and issues:

- Canada has more than 12,000 university faculty, but there is no efficient, national directory that allows entrepreneurs to search for potential academic research partners.
- Universities want more control of intellectual property (IP) resulting from faculty research. This can create challenges when negotiating IP agreements with entrepreneurs.
- Academic researchers move at a slower pace than entrepreneurs, making it difficult for entrepreneurs to expect dependable results and take actions. This slows the pace of research and commercialization, and places Canadian businesses and academic institutions at a global disadvantage (other countries are doing a better job).

### Recommendations, next steps, keys to success

Policy discussion participants shared recommendations and keys to success:

- Consolidate information on government funding opportunities in a single portal, easily searchable by various company criteria such as size, industry.
- Promote the Canadian Foundation for Innovation’s new portal, which provides information on nearly 400 research labs across the country.
- Develop collections of best practices and success stories, and connect entrepreneurs who have experience working with academia.
- Offer research partnership programs on topics requested by industry, with NSERC matchmaking the right U/C researchers to companies.
- Entrepreneurs should consider obtaining non-exclusive licenses from academic research—facilitating the negotiation of IP agreements, and allowing entrepreneurs to enhance their experience.
- Negotiate staged funding agreements so partners can exit research agreements if unsatisfactory or if performance is sub-standard.
- NSERC should consider establishing a centre for commercialization of research focused on helping entrepreneurs succeed.

## Speaker

**BLAIR McMURREN,**  
Director of Social Innovation,  
Strategic Policy and  
Research Branch,  
**Employment and Social  
Development Canada**

## Web

[www.esdc.gc.ca](http://www.esdc.gc.ca)

## Participants

19, including government,  
business, Startup  
communities

## The Questions

*“What are the time-critical collaborative actions needed to accelerate better outcomes for our society, while unlocking a renewed economic engine for Canada?”*

*“How can we propel social entrepreneurship from the margins into the mainstream in Canada?”*

## Key Conclusions

“Social enterprise is a compelling win-win that is seeing increased investments in many jurisdictions.”

“To support the growth of social enterprises and entrepreneurs Canada needs to invest more in infrastructure, training, community-based collaborative networks, and social enterprise incentives.”

## POLICY DISCUSSION 6: PROPELLING CANADA’S SOCIAL ENTREPRENEURSHIP MOVEMENT TO THE MAINSTREAM

### Importance

Social enterprises—ones that consider social issues and impacts as core to their business mission—are on the rise in Canada. They are important to governments, communities, and socially-minded investors leading to sustainable, profitable and impact-driven enterprises. The growth of this sector relies on our ability to collaborate, combine and leverage unique assets, and support the creation and development of world-class enterprises.

### Challenges and issues

Participants noted that social entrepreneurship is one of the the least supported sectors in terms of infrastructure, knowledge, training and development, community engagement, tools, talent and capital.

### Conclusions, next steps, keys to success

Policy discussion participants shared recommendations and keys to success:

- Support social enterprises by making it easier for people to be social entrepreneurs, clearly defining the sector (e.g., distinguishing between social enterprises, charities, and not-for-profits); partnering and working within community and business leaders; and looking for ways to change taxation policies and regulations to assist social entrepreneurs startup and succeed.
- Tax relief is an incentive for investment in social ventures. Angel investors would be more inclined to invest if social mechanisms were in place
- Open the rules around government procurement (e.g., green procurement, startup procurement) to help social enterprises and entrepreneurs start up.
- Focus less on the supply-side of social enterprises (e.g., who they are, where they are from) and more on the demand-side by providing social entrepreneurs with the tools, information, knowledge, and connections they need to succeed (e.g., [INOWeave](#); and the [Canada Business Network](#)).
- Leverage resources such as:
  - [RECODE](#) which provides social innovation and entrepreneurship resources, connections, financing and opportunities for college and university students; and
  - Social Sciences and Humanities Research Council of Canada’s new [Community and College Social Innovation Fund](#) which helps colleges engage in projects with community organizations and businesses to address issues such as poverty, safety, and crime prevention.
- Use better metrics by government and social enterprises to measure both the financial returns and the social impacts (both are important).

## CONCLUSION

To advance Canada’s innovation and entrepreneurial performance our businesses, educational institutions, communities and governments need to nurture and support the development of a robust innovation and entrepreneurial ecosystem—one that includes top-down support and bottom-up initiative and drive.

*“Canada is a developed economy and it is at a stage where its capacity to innovate successfully determines its overall success. Canadian businesses must be able to compete on the basis of developing new or improved products, services, models, and processes,” says the president and chief executive officer of The Conference Board of Canada, Daniel Muzyka.*

*Unfortunately, as a country, we are not taking full advantage of our strong economic fundamentals, well-educated workforce, and efficient markets to build higher value-added products and services. Too often, Canada fails to commercialize its good ideas into marketable products and services or capture the value from growth.”<sup>2</sup>*

While Canada has a strong foundation, more needs to be done. The Startup Canada and Conference Board Policy Discussions come at a critical time. They identified six areas where Canada’s innovation and entrepreneurship ecosystem could benefit from a ‘policy boost’ to help inspire, kick-start and motivate entrepreneurs and SMEs. The areas included: financial management, government procurement, women entrepreneurs, government service delivery, connecting businesses with researchers to solve real-world problems, and social entrepreneurship.

What is clear from all six discussions is that no one person, organization, institution, or government can (or should) do it alone. To be most effective Canadian businesses, governments, education institutions, and individuals from right across Canada (whether in large cities or rural and remote communities) need to work together; share ideas, programs, effective-practices/policies, and resources; and support the development of a collaborative, interactive and cohesive innovation and entrepreneurial ecosystem.

Ultimately, it is as much about raising awareness of programs and services available to Canadian entrepreneurs and SMEs, and convincing them to use them for business and innovation success.

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<sup>2</sup> Watt, *Who Dimmed the Lights? Canada’s Declining Global Competitiveness Ranking*. (Ottawa: The Conference Board of Canada, 2012), p. 2

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